

**RETAIL BASE PROSPECTUS SUPPLEMENT (N°2) dated 5 JANUARY 2015**



**KBC IFIMA S.A.**

*(Incorporated with limited liability in the Grand Duchy of Luxemburg)*

**Unconditionally and irrevocably guaranteed by KBC Bank NV**

*(Incorporated with limited liability in Belgium)*

**€10,000,000,000**

**Retail Euro Medium Term Note Programme**

This base prospectus supplement (the “**Supplement N°2**”) constitutes a supplement for the purposes of Article 16 of Directive n° 2003/71/EC (the “**Prospectus Directive**”) and Article 13 of the Luxembourg Law of 10 July 2005 on Prospectuses for Securities (the “**Prospectus Law**”), implementing the Prospectus Directive. The Supplement N°2 is supplemental to, forms part of, and must be read in conjunction with the base prospectus dated 25 June 2014 (the “**Retail Base Prospectus**”) as supplemented by the supplement dated 2 September 2014 (the “**Supplement N°1**”), issued by KBC IFIMA S.A. (the “**Issuer**”), for the purpose of giving information with regard to the issue of Notes under its €10,000,000,000 Retail Euro Medium Term Note Programme during the period of twelve (12) months after the date of the Retail Base Prospectus. Terms defined in the Retail Base Prospectus or in any document incorporated by reference in the Retail Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement N°2.

This Supplement N°2 has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), as competent authority under the Prospectus Directive. This Supplement N°2 will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the [www.kbc.com](http://www.kbc.com)<sup>1</sup> website.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Supplement N°2 and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement N°2 is, to the best of its knowledge and belief, in accordance with the facts and does not omit anything likely to affect the import of such information.

## **I. New information**

### **1) Introduction**

On 31 December 2014, KBC IFIMA S.A. changed its legal and commercial name, domicile, legal form and country of incorporation from KBC Internationale Financieringsmaatschappij N.V., having its registered office at Watermanweg 92, 3067 GG Rotterdam, incorporated in The Netherlands as limited liability company under the laws of the Netherlands to KBC IFIMA S.A., having its registered office at 5, Place de la Gare, L-1616, Luxembourg, incorporated in the Grand Duchy of Luxembourg as a limited liability company under the laws of the Grand Duchy of Luxembourg. As this shall not affect the activities of the Issuer, the transfer of seat has no impact on the position of the noteholders, regardless of their nationality or place of residence.

<sup>1</sup> <https://www.kbc.com/MISC/D9e01/~E/~KBCCOM/~BZJ4707/~BZIZTPN/BZJ0507/BZJ06PN>

In order to ensure that the information contained in the Retail Base Prospectus is up-to-date as required by the Prospectus Directive and the Prospectus Law, any reference to the “Issuer”, “KBC Internationale Financieringsmaatschappij N.V”, “KBC IFIMA N.V.” or “KBC IFIMA” in the Retail Base Prospectus and Supplement N°1 refers to and shall be replaced with KBC IFIMA S.A.

Due to the new information, the following sections of the Retail Base Prospectus are amended as described below.

## 2) Summary of the Retail Base Prospectus

a) The 3<sup>rd</sup> paragraph of Item A.2 (page 1 of the Retail Base Prospectus) will be replaced as follows:

<b>A.2</b>	Consent to use the Base Prospectus for subsequent resale or final placement by financial intermediaries and conditions attached to such consent	<i>“We, [insert legal name of financial intermediary], refer to the [insert title of relevant Non-Exempt PD Notes] (the “Notes”) described in the Final Terms dated [insert date] (the “Final Terms”) published by KBC IFIMA S.A. (the “Issuer”). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [Belgium] [Luxembourg] [and] [The Netherlands] (the “Public Offer”) in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, and we are using the Base Prospectus in connection with the Public Offer accordingly.”.]</i>
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b) Item B.1 (page 2 of the Retail Base Prospectus) will be replaced as follows:

<b>B.1</b>	Legal and commercial name of the Issuer	KBC IFIMA S.A.
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c) Item B.2 (page 2 of the Retail Base Prospectus) will be replaced as follows:

<b>B.2</b>	Domicile/ legal form/ legislation/ country of incorporation	The Issuer, having its registered office at 5, Place de la Gare, L-1616, Luxembourg, is incorporated in the Grand Duchy of Luxembourg as a limited liability company under the laws of the Grand Duchy of Luxembourg.
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d) The 1<sup>st</sup> paragraph of Item B.5 (page 3 of the Retail Base Prospectus) will be replaced as follows:

<b>B.5</b>	Domicile/ legal form/ legislation/ country of incorporation	The KBC group consists of the KBC Group NV (the holding company) and its wholly owned subsidiaries KBC Bank NV and KBC Insurance NV (the “ <b>Group</b> ”). KBC IFIMA S.A. is a wholly-owned subsidiary of KBC Bank NV (the “ <b>Guarantor</b> ”). The Guarantor and KBC Insurance NV each have a number of subsidiaries, a list of which is available in the Guarantor's 2013 annual report.
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### 3) Description of the Issuer

- a) The section “*History and development*” on page 219 of the Retail Base Prospectus shall be replaced as follows:

#### **History and Development**

The Issuer's legal and commercial name is KBC IFIMA S.A.

The Issuer was incorporated in the form of a limited liability company and was registered in The Netherlands on 15 April 1982. On 31 December 2014 at midnight, the Issuer changed its legal and commercial name, domicile, legal form and country of incorporation from KBC Internationale Financieringsmaatschappij N.V., to KBC IFIMA S.A, having its registered office at 5, Place de la Gare, L-1616, Luxembourg, telephone number 00352/2999921, incorporated in the Grand Duchy of Luxembourg as a limited liability company. The Issuer has an unlimited duration and operates under the laws of the Grand Duchy of Luxembourg.

The Issuer's principal objects, as set out in Article 3 of its articles of association are the issue of bonds and the on-lending of the proceeds to the Guarantor, its subsidiaries and associated companies. The Issuer's principal activity consists of the administration of the bonds issued and the loans made.

- b) The section “*Management Board and Supervisory Board of the Issuer*” on page 220 of the Retail Base Prospectus shall be replaced as follows:

#### **Board of Directors of the Issuer**

The Issuer is managed by a Board of Directors of at least three members, which is not supervised by a Supervisory Board. The Directors are appointed by the General Meeting of Shareholders.

As at the date of approval of this Supplement N°2 the composition of the Management Board of the Issuer is set out in table below:

<b>Name</b>	<b>Position</b>	<b>Principal Activities outside the Issuer</b>
<b>Fatima BOUDABZA</b>	Company Director	Non-executive director, KBC Financial Products International S.A.
<b>Ivo Irma BAUWENS</b>	Company Director	Executive director, KBC Financial Indemnity Insurance SA Chief Executive Officer, KBC Group Re SA Executive director, Kredietcorp SA Non-executive director, KBC Financial Products International S.A. Executive director, KBC Participations Renta SA Executive director, KBC Participations Renta B Executive director, KBC Participations Renta C Non-executive director, KBC Asset Management SA
<b>Frank Maria CAESTECKER</b>	Company Director	Executive director, KBC Investments Limited Executive director, KBC Financial Products

<b>Rik Jos JANSSEN</b>	Company Director	International S.A. Executive director, Galloway Bulgaria OOD Executive director, KBC Credit Investments NV
<b>Sabrina GOCKEL</b>	Company Director	None

The business address of each Company Director of the Issuer in his capacity as such is 5, Place de la Gare, L-1616, Luxembourg, the Grand Duchy of Luxembourg. Each Company Director has the power of acting individually and non-jointly to represent and bind the Issuer.

The Issuer's Management Board has no Committees.

There are no conflicts of interest between the duties of the persons listed above to the Issuer and their private interests or other duties. The Issuer is not aware of any affiliations/associations of the members of the Management Board outside the Issuer which are relevant to the Issuer.

The Issuer has adopted corporate governance policies which comply with the laws and regulations of the Grand Duchy of Luxembourg regarding corporate governance.

The Issuer has two (2) permanent employees. Terms of employment are governed by the Collective Labour Agreement pertaining to the Luxembourg banking sector. There have been no employee related disputes.

- c) The section "Audit Committee" on page 221 of the Retail Base Prospectus shall be replaced as follows:

**Audit Committee**

It is expected that the Board of Directors of the Issuer will act as Audit Committee.

**4) Taxation**

The section "Luxembourg" on page 275 of the Retail Base Prospectus shall be amended as follows :

**Luxembourg**

*The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

**Withholding Tax**

- (i) *Non-resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the laws of 21st June, 2005, as amended (the "Laws") mentioned below, there is no withholding tax on payments of principal, premium or Interest Amounts made to non-resident holders of Notes, nor on accrued but unpaid interest in respect

of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the EC Council Directive 2003/48/EC of 3rd June (“Savings Directive”), the Luxembourg government will elect out of the withholding system in favour of an automatic exchange of information with effect as from 1 January 2015.

(ii) *Resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the law of 23rd December, 2005, as amended (the “Law”), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of Interest Amounts under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

## **II. General**

Save as disclosed in this Supplement N°2, there has been no significant new factor, material mistake or inaccuracy since 2 September 2014, the date of the publication of the Supplement N°1.

Copies of this Supplement N°2 will be available (i) without charge at the specified office of the Issuer and the Principal Paying Agent, (ii) on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu) and (iii) on the [www.kbc.com](http://www.kbc.com)<sup>2</sup> website.

To the extent that there is an inconsistency between (a) any statement in this Supplement N°2 and (b) any statement in, or incorporated by reference into, the Retail Base Prospectus or the Supplement N°1, the statements in (a) above will prevail.

In accordance with Article 13 paragraph 2 of the Prospectus Law, investors who already agreed to purchase or subscribe for Notes under the €10,000,000,000 Retail Euro Medium Term Note Programme before this Supplement N°2 was published, have the right to withdraw their acceptances within two (2) working days after the publication of this Supplement N°2, namely up to and including 7 January 2015.

5 January 2015

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<sup>2</sup> <https://www.kbc.com/MISC/D9e01/~E/~KBCCOM/~BZJ47O7/~BZIZTPN/BZJ0507/BZJ06PN>